



DEPARTMENT OF VETERANS AFFAIRS

8320-01

38 CFR Part 17

RIN 2900-AQ34

Update: Enrollment - Provision of Hospital and Outpatient Care to Medal of Honor Veterans

AGENCY: Department of Veterans Affairs

ACTION: Final rule.

SUMMARY: The Department of Veterans Affairs (VA) is amending its medical regulations governing eligibility for VA health care and copayment requirements to conform to recent statutory changes. VA is changing its enrollment criteria to move Medal of Honor recipients from priority category three to priority category one, and exempting recipients of the Medal of Honor from copayments for inpatient care, outpatient care, medications, and extended care services.

DATES: This final rule is effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Stacey Echols Sr., CP, FAC-P/PM, Business Policy, VHA Member Services; 810 Vermont Avenue, NW., Washington, DC 20420; (404) 828-5281. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION:

## Enrollment Eligibility

Section 1705 of title 38, United States Code (38 U.S.C. 1705), requires VA to implement a national enrollment system to manage the delivery of its health care services and also contains priority categories for determining eligibility for enrollment in VA's health care system. In its original enactment, section 1705 did not include receipt of the Medal of Honor as a criterion for eligibility in a priority category. See Public Law 104-262 (October 9, 1996). In 2010, Congress amended section 1705 by adding Medal of Honor recipients to priority category three. See Public Law 111-163 (May 5, 2010). VA has implemented section 1705 in regulation at 38 Code of Federal Regulations (CFR) 17.36.

In the Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016, Congress elevated Medal of Honor recipients' health care enrollment eligibility from priority category three to priority category one. Public Law (Pub. L.) 114-315 (December 16, 2016).

This final rulemaking updates 38 CFR 17.36 to reflect the current statutory requirement that VA place Medal of Honor recipients in priority category one. VA therefore is removing award of the Medal of Honor as a criterion from paragraph (b)(3) and inserting it as a criterion in paragraph (b)(1).

## Copayments

Several sections in Chapter 17 of title 38, U.S.C. require VA to collect copayments from certain veterans for various types of care and medication. Section 1710 of 38 U.S.C., for example, directs VA to provide hospital care and medical

services to numerous categories of veterans, and requires VA to charge certain categories of veterans copayments for the care and services provided. Section 1710B allows VA to furnish extended care services to certain categories of veterans, including several categories who are not required to pay copayments. Section 1722A requires VA to charge copayments for medications, excepting several categories of veterans who are not required to pay copayments. While Public Law 111-163 added Medal of Honor awardees to Priority Group 3, it did not exempt these veterans from VA copayment requirements.

Section 603 of Pub. L. 114-315 amended 38 U.S.C. 1710(a)(2)(D), 1710B(c)(2), and 1722A(a)(3) to afford Medal of Honor recipients specific exemptions to the copayments required for hospital care and medical services, extended care services, and medications. VA has regulated copayments for the aforementioned benefits at 38 CFR 17.108, 17.110, and 17.111. This final rulemaking adds §§ 17.108(d)(13), 17.110(c)(11), and 17.111(f)(10) to reflect the statutory changes exempting Medal of Honor recipients from copayments for the listed health care services and medications.

#### Administrative Procedure Act

This final rule implements the specific requirements mandated by Public Law 114-315 that VA place Medal of Honor recipients into priority category one for purposes of enrollment eligibility and exempt those veterans from certain copayments. Accordingly, because this rule simply incorporates current statutory requirements, VA finds there is good cause to exempt this rule from the prior notice-and-comment and

delayed-effective-date requirements, in accordance with 5 U.S.C. 553(b)(B) and 5 U.S.C. 553(d)(3).

#### Effect of Rulemaking

Title 38 of the Code of Federal Regulations, as revised by this final rulemaking, represents VA's implementation of its legal authority on this subject. Other than future amendments to this regulation or governing statutes, no contrary guidance or procedures are authorized. All existing or subsequent VA guidance must be read to conform with this rulemaking if possible or, if not possible, such guidance is superseded by this rulemaking.

#### Paperwork Reduction Act

Although 38 CFR 17.36 contains provisions constituting collections of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521), no new or proposed revised collections of information are associated with this final rule. The information collection requirements for § 17.36 are currently approved by the Office of Management and Budget (OMB) and have been assigned OMB control number 2900-0091.

#### Regulatory Flexibility Act

The Regulatory Flexibility Act, 5 U.S.C. 601-612, is not applicable to this rulemaking because notice of proposed rulemaking is not required. 5 U.S.C. 601(2), 603(a), 604(a). In any event, the Secretary hereby certifies that this rule does not have

a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act. This rule directly affects only individuals and does not directly affect small entities. Therefore, pursuant to 5 U.S.C. 605(b), this rulemaking is exempt from the initial and final regulatory flexibility analysis requirements of 5 U.S.C. 603 and 604.

#### Executive Order 12866, 13563, and 13771

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a “significant regulatory action,” requiring review by the Office of Management and Budget (OMB), unless OMB waives such review, as any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or

policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

The economic, interagency, budgetary, legal, and policy implications of this rule have been examined, and it has been determined not to be a significant regulatory action under Executive Order 12866. VA's impact analysis can be found as a supporting document at <http://www.regulations.gov>, usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA's Web site at <http://www.va.gov/orpm/>, by following the link for "VA Regulations Published From FY 2004 Through Fiscal Year to Date." This rule is not an EO 13771 regulatory action because this rule is not significant under EO 12866.

#### Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This final rule will have no such effect on State, local, and tribal governments, or on the private sector.

#### Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers and titles for the programs affected by this document are 64.007, Blind Rehabilitation Centers; 64.008, Veterans Domiciliary Care; 64.009, Veterans Medical Care Benefits; 64.010, Veterans Nursing Home Care; 64.011, Veterans Dental Care; 64.012, Veterans Prescription Service;

64.013, Veterans Prosthetic Appliances; 64.014, Veterans State Domiciliary Care; 64.015, Veterans State Nursing Home Care; 64.018, Sharing Specialized Medical Resources; 64.019, Veterans Rehabilitation Alcohol and Drug Dependence; 64.022, Veterans Home Based Primary Care; and 64.024, VA Homeless Providers Grant and Per Diem Program.

#### List of Subjects in 38 CFR Part 17

Administrative practice and procedure, Alcohol abuse, Alcoholism, Claims, Day care, Dental health, Drug abuse, Government contracts, Grant programs-health, Grant programs-veterans, Health care, Health facilities, Health professions, Health records, Homeless, Medical and dental schools, Medical devices, Medical research, Mental health programs, Nursing homes, Reporting and recordkeeping requirements, Travel and transportation expenses, Veterans.

#### Signing Authority

The Secretary of Veterans Affairs approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Robert L. Wilkie, Secretary, Department of Veterans Affairs, approved this document on February 26, 2019, for publication.

Dated: February 26, 2019.

---

Consuela Benjamin,  
Regulations Development Coordinator,  
Office of Regulation Policy & Management,  
Office of the Secretary,  
Department of Veterans Affairs.

For the reasons stated in the preamble, Department of Veterans Affairs amends  
38 CFR part 17 as follows:

#### PART 17 – MEDICAL

1. The authority citation for part 17 continues to read in part as follows:

AUTHORITY: 38 U.S.C. 501, and as noted in specific sections.

\* \* \* \* \*

2. Amend §17.36 by revising paragraphs (b)(1) and (3) to read as follows:

§17.36 Enrollment—provision of hospital and outpatient care to veterans.

\* \* \* \* \*

(b) \* \* \*



(1) Veterans with a singular or combined rating of 50 percent or greater based on one or more service-connected disabilities or unemployability; and veterans awarded the Medal of Honor.

\* \* \* \* \*

(3) Veterans who are former prisoners of war; veterans awarded the Purple Heart; veterans with a singular or combined rating of 10 percent or 20 percent based on one or more service-connected disabilities; veterans who were discharged or released from active military service for a disability incurred or aggravated in the line of duty; veterans who receive disability compensation under 38 U.S.C. 1151; veterans whose entitlement to disability compensation is suspended pursuant to 38 U.S.C. 1151, but only to the extent that such veterans' continuing eligibility for that care is provided for in the judgment or settlement described in 38 U.S.C. 1151; veterans whose entitlement to disability compensation is suspended because of the receipt of military retired pay; and veterans receiving compensation at the 10 percent rating level based on multiple noncompensable service-connected disabilities that clearly interfere with normal employability.

\* \* \* \* \*

3. Amend §17.108 by adding paragraph (d)(13) to read as follows:

§ 17.108 Copayments for inpatient hospital care and outpatient medical care.

\* \* \* \* \*

(d) \* \* \*

(13) A veteran who was awarded the Medal of Honor.

\* \* \* \* \*

4. Amend §17.110 by adding paragraph (c)(11) to read as follows:

§ 17.110 Copayments for medications.

\* \* \* \* \*

(c) \* \* \*

(11) Medication for a veteran who was awarded the Medal of Honor.

\* \* \* \* \*

5. Amend §17.111 by adding paragraph (f)(10) to read as follows:

§ 17.111 Copayments for extended care services.

\* \* \* \* \*

(f) \* \* \*

(10) A veteran who was awarded the Medal of Honor.

\* \* \* \* \*

[FR Doc. 2019-03747 Filed: 3/4/2019 8:45 am; Publication Date: 3/5/2019]